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UNCLAS SECTION 01 OF 07 YEREVAN 000228

DEPT FOR CA/FPP - (RSBILLINGS), CA/VO/KCC AND CA/EX
CA/VO/KCC FOR FPM (JSCHOOLS)
NVC FOR FPM (BAUSTIN)
FRANKFURT FOR RCO (KBROUGHAM)
POSTS FOR CONS

SIPDIS

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E.O. 12958: N/A

TAGS: [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [PHUM](#) [KFRD](#) [KCRM](#) [AM](#)

SUBJECT: SEMI-ANNUAL FRAUD SUMMARY (SEPTEMBER 2008 - FEBRUARY 2009)-
YEREVAN

REF: (A) 2008 YEREVAN 775 (B) 07 SECSTATE 171211

11. (SBU) SUMMARY: Armenia remains a high-fraud post. While consular staff members periodically uncover fraud rings and other organized plots, post's interviewing officers deal with small-scale fraud every day. Due to widespread document fraud, including birth and marriage certificates as well as passports and work documents, consular officers at post cannot rely on documentation during visa interviews. The Sixth Department of the National Police, which combats organized crime, cooperates actively with Post in cases of document fraud. The National Security Service (NSS), successor to the Soviet-era KGB, until recently unresponsive when informed about visa fraud, has become more cooperative as of late. Post has requested an ARSO/I to strengthen anti-fraud capabilities. This cable includes action requests (see paras 31-32): 1) that CA/EX solicit reimbursement from DHS/ICE to for the costs of DHS-requested investigations/translations, and 2) travel funding be provided to support ICE-requested fraud manager briefing to ICE attorneys in California. END SUMMARY

COUNTRY CONDITIONS

12. (U) The international financial crisis has affected Armenia. Although Armenia's official unemployment rate is 7.5 percent, according to household surveys conducted in line with International Labor Organization methodology, actual unemployment is around 28 percent, and much higher in the provinces and among women. The strong GDP growth of recent years, driven primarily by construction in Yerevan, has evaporated and 2009 is likely to be a zero or negative growth year. Economic projections for 2009 are growing bleaker with each passing week; the World Bank resident representative this week was saying informally his team is now projecting negative eight percent growth this year. The percentage of people living in poverty -- though much reduced from ten years ago -- is still high and now growing. Many Armenians depend on remittances from family members abroad, particularly in Russia, followed by the United States. The global economic crisis, however, has significantly reduced remittances--which in recent years have accounted for approximately 15 percent of Armenia's GDP--and many workers who used to make the annual trip to Russia to work in construction (legally or illegally) for 6-8 months per year will not be returning in 2009. Those remittances are down some 30 percent, according to the IMF. An estimated 1.5 million Armenians have left the country since 1990. About one-third of Armenians live in rural areas, many of them as subsistence farmers. The average salary in Armenia amounted to USD 270 per month in October 2008. Post's NIV refusal rate was 53 percent in 2008 and 50 percent in the reporting period.

13. (U) Much of the document fraud seen in NIV interviews is unsophisticated and easy to catch. Occasionally, we find more serious cases where applicants obtain legitimately issued second passports, sometimes with different names or dates of birth, an alternate spelling of the last name, or a new name altogether to support a mala fide persona. Applicants also can acquire either genuine but fraudulently obtained or high-quality counterfeit documents such as birth, marriage and divorce certificates. Post has had success in referring such cases to the Sixth Department of the National Police for prosecution. Genuine but fraudulently obtained diplomas and other education documents are easily available for those who need to prove credentials (e.g. for DV applicants). Back-dated reentry stamps are easy to purchase from border guards. With access to ADIS, post continues to detect ever more instances of applicants hiding overstays through purchase of back-dated reentry stamps, to date some dozen cases in the reporting period. Thus, most primary and supporting documentation is suspect, and officers cannot rely on them in making visa decisions.

14. (SBU) In the past, post observed the practice of widespread sharing and/or selling not only of documents, but of phone numbers and addresses of inviting parties, and other information that applicants obtain to help facilitate their visas. This phenomenon has decreased markedly. In immigrant visa and B1B2 visa cases (especially for a subset of applicants consisting of Indian medical students), applicants frequently provide commitments of support from people whom they do not personally know, nor with whom they have any cogent rationale for a relationship. In the immigrant visa cases, virtually all cases of contrived contacts are the work of a

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notorious visa form filler-slash-translator who fills out the DS-230 immigrant visa application forms. For the Indian medical students, a tight-knit and small community, post believes issued applicants share the names of relatives of friends, usually H1B visa holders, to increase the chances of visa issuance for subsequent medical students who intend to vacation in the U.S. during semester breaks. Our Summer 2008 validation study into the travel patterns of Indian medical students confirmed that virtually all stay much longer in the U.S. than indicated during their visa application and return late to school in Yerevan; there is also evidence that many of them are working illegally during their semester break in the U.S. As a consequence, post is refusing even more Indian medical students' visa applications than in the past.

15. (SBU) Post uses its Accurant account several times a week and has found it very helpful in vetting NIV petition visas, IV cases, and sometimes ACS cases. Officers and the fraud investigator can follow up on leads generated by the Lexis-Nexis reports and thus better judge the accuracy of information submitted by petitioners and applicants. This allows interviewing officers to render decisions more quickly and confidently and to better support recommendations for petition revocation.

16. (SBU) Post daily confirms NIV applicants' actual exit from the U.S. using our two ADIS accounts provided by CA/FPP. ADIS has become a powerful tool for discovering fraud, albeit the records only appear to be accurate as of 2003.

17. (SBU) In the reporting period, post noticed B1B2 abuse by Armenian performing artists. Triggered by feedback for one case, post started to review Armenian music websites for information on performances of Armenian recording and singing artists in the U.S. We then checked the NIV software or the CCD to see if the artist had the appropriate visa or was a U.S. citizen or green card holder. In most cases, artists didn't have P or O visas. Case notes showed that applicants were routinely and deliberately misrepresenting their purpose of travel to consular officers in visa interviews. Abuse has been particularly egregious among artist and performing groups ostensibly attending a variety of awards shows in Los Angeles. Post found that almost all recipients did perform at the awards shows or at public concerts after the awards show. To date, post has called in approximately a dozen performing artists upon

their return to Armenia to explain their performances on B1B2 visas.

In the vast majority of cases, post has cancelled B1B2 visas and advised artists to have their tour organizers apply for P visas. In at least one case so far, our remedy has worked. Post is severely restricting the issuance of multiple-entry B1B2 visas as our validation studies have shown overstays and inappropriate use of B1B2 visas is much higher among holders of multiple-entry visas.

IV FRAUD

¶18. (SBU) Yerevan has been processing immigrant visas since 2006. We find fraud in a significant percentage of family-based visa cases, especially in K-1 fiancée visa cases. Most fraudulent cases involve applicants with relatives in the United States who themselves either overstayed B1B2 visas or lodged questionable asylum cases in the U.S. These relatives have arranged sham marriages for IV beneficiaries for the sole purpose of family reunification. In the reporting period, post returned 26 petitions to NVC for revocation out of 651 IV issuances and two cases to USCIS-Moscow, a significantly smaller percentage of our IV/DV workload (excluding Visas 92/93) than in the previous reporting period.

¶19. (SBU) Lexis-Nexis has been very helpful in providing leads for investigation of fraud in instances of sham spouses, or their follow-on step-children. We frequently find American citizen petitioners continuing to live with their "ex"-spouses, or not cohabitating with their new spouse.

DV FRAUD

¶10. (SBU) We occasionally discover fraudulent documents on DV applications, usually intended to support the addition of derivatives (birth or marriage documents), or - to a much lesser degree - demonstrate adequate labor qualifications, i.e. vocational school diplomas for those who didn't finish high school. Overall fraud in our DV workload appears to be much less of a problem than in the problematic CR1 and K-1 IV categories. In the reporting period, only one DV case was refused for failure to qualify for the

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DV lottery. There were no DV cases of mala fide pop-up spouses and only two other cases with permanent ineligibilities. One was a case where a principal applicant adopted the child of a J-1 Summer Work/Travel overstay to reunite the child with her parents in the U.S. The other involved a DV couple who committed impostor fraud in the past on a NIV application.

¶11. (SBU) Post continues to notice an unusually high number of inexplicable data entry mistakes for biographic information in DV winners' registration for the DV lottery. This is not just in cases where a third party in the U.S., who doesn't really know the beneficiaries, has registered their entry. Post suspects, but has no proof, that these cases might represent instances where beneficiaries deliberately register multiple times for the DV lottery using slight derivations of their date of birth. These cases may have somehow managed to bypass Facial Recognition checks. In general, Armenians rely to an extraordinary degree on relatives in the U.S. or third parties, usually unscrupulous form fillers known to provide false or misleading advice, to register for the DV lottery. This even though the DV instructions are posted in Armenian on post's website and post outreach on DV issues focuses on the importance of proper data entry.

¶12. (U) In the reporting period, several DV winners have informed post that one particular form-filler who registered people for the DV lottery and who entered the office address as the address for delivery of notifications, is asking applicants for some USD 2,000 to hand over the envelopes with their immigrant visa appointment information. In such cases, post has verified appointment dates through the CCD and IVO software and asks DV winners to pick up their appointment packets at the consular section.

ACS AND U.S. PASSPORT FRAUD

¶13. (U) There appears to be much less fraud in our ACS workload compared to our IV and NIV workload. Nevertheless, we occasionally have questionable CRBA applications centering on the U.S. citizen's actual paternity and ability to transmit citizenship. To date, most such dodgy CRBA cases have been resolved one way or another with DNA testing.

¶13. (U) In the reporting period, Post had one case of a person claiming to be an American Citizen who appeared in the ACS section several times requesting a replacement passport for one he claimed was stolen. There were no PIERS records or any other evidence to support his claim to U.S. citizenship. On his last visit, the applicant claimed that he had a copy of his old passport that he would bring in the next day. A week later, Post received a call from a woman, claiming that a person with the exact same name sold a visa to her daughter for \$6,000 but failed to deliver. The woman was asking for the Embassy's help to recoup her money. Working with the RSO, the National Security Service determined that the young man was using his visits to the ACS section to convince the woman and her daughter that he had influence at the Embassy and could get her the visa. During his last visit to the ACS section, he came in with the daughter so she could see him speaking with consular officials. Since the daughter doesn't speak English, she didn't understand the visa fixer's conversations with our ACS staff concerning his citizenship claim. In hindsight, his odd citizenship claim had to be seen in that context.

ADOPTION FRAUD

¶14. (U) To be eligible for adoption in Armenia, a child must be legally abandoned by all living parents through a renunciation of parental rights, or, in the case of missing parents, found to be an orphan by the courts. Death certificates of both parents also may serve as evidence of a child's orphaned status. Orphaned children become the custody of orphanages, where they are placed on a list of children available for adoption. For the first three months on this list, a child may be adopted only by Armenians; after three months have elapsed, a child may be adopted by Armenians or foreigners.

¶15. (SBU) Corruption on the part of Armenian government officials, adoption agencies and orphanages is a concern, and due to pervasive document fraud, local birth and identity documents are often not reliable. In addition to field investigations, post combats adoption fraud by running background checks on all adoption facilitators. In the reporting period, post conducted three field investigations of a problematic adoption case. American citizens considering adopting an Armenian child are encouraged to check with

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post to find out if a facilitator is considered reputable. We have included this information in our Adoption Flyer.

¶16. (SBU) Adoptions from public orphanages seem to be mostly above-board, but those from private orphanages are often suspect. Recent changes in Armenian adoption law have resulted in the closure of the few private orphanages and a waiver of the former requirement for children to be placed in orphanages prior to adoption. They may now be adopted directly from individuals. Any such case received by post is likely to be verified through an unannounced field investigation. Two of the three such cases we have seen in 2007 have not met the requirements of U.S. law.

¶17. (SBU) Armenia is officially a signatory to the Hague Convention on Inter-Country Adoptions. Although the Ministry of Justice - Civil Acts Registry is formally designated the Central Authority, in practice, that office has not yet worked out procedures including how, when and who will issue and accept Article 5 and 16 notification letters. Post meets periodically with the various offices involved in adoption (Ministry of Justice, Adoption Commission, Ministry of Labor and Social Affairs) to receive updates on Armenia's Hague Convention preparations which are very much a work in progress.

USE OF DNA TESTING

¶18. (U) DNA testing in Yerevan is done remotely with Embassy panel physicians drawing samples and then sending the samples to accredited labs in the U.S. for analysis. A Consular Officer witnesses the sampling, and forwards it to the U.S. lab. Results are sent directly the Embassy via DHL, generally within three to four weeks. In the reporting period, post conducted no DNA tests.

¶19. (U) Post also encounters suspected relationship fraud in Diversity Visa and family-based Immigrant Visa cases, usually in marriage or fiance visa cases. To date, DNA testing has not been used in such cases. In one typical case, the petitioner and beneficiary volunteered to submit to DNA testing of their supposed child in common to bolster their claims of being a bona fide couple. Where DNA testing has been employed, post is generally satisfied with its current operational procedures.

ASYLUM AND OTHER DHS BENEFIT FRAUD

¶20. (SBU) Post is exposed to asylum fraud in two ways. One, through anecdotal evidence supplied by NIV applicants whose relatives went to the United States on non-immigrant visas and claimed asylum. When applicants volunteer information during visa interviews on their family member's status in the U.S. as an asylee or refugee, they have offered all kinds of reasons to justify their relatives' applications for asylum, including, "She couldn't find a job here" and the ever-popular, "He got sick."

¶21. (SBU) The second way in which post encounters asylum fraud is through processing of Visas 92/93 following-to-join cases. Post assumed this task in 2007. Interviews with derivative beneficiaries of I-730 petitions indicate questionable underlying claims for asylum in a significant proportion of cases. In the reporting period, our caseload (some 200 cases at any one time and some 350 to date) has revealed serious fraud such as false relationship claims in two cases. In these cases, post returned the petitions to the USCIS through NVC. In some twenty other cases, where post had indications of a fraudulent or invalid asylum claim, we issued transportation foils for the beneficiaries as they qualified in all other respects, and subsequently sent cables to the Department and the USCIS Asylum Branch as per 9FAM App. 0 1207.2-5(A). Feedback from ICE agents at ConGen Frankfurt (with jurisdiction over Armenia) and USCIS asylum fraud officers met during a July 2008 conference on Visas 92/93, confirms that post's cables are being followed up.

¶22. (U) In the reporting period, post received no reports of lost or stolen I-551. Post processed 9 transportation letters for I-551 holders whose documents had expired, but received 3 other applications which were denied by USCIS-Moscow, the DHS office with jurisdiction over Armenia, for various reasons.

¶23. (SBU) Post occasionally sees DHS travel documents (re-entry permits) that appear to have been issued to aliens when they were not in the United States, usually persons who received asylum or refugee status including their derivative family members. The

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applications for these documents usually have been filed by relatives and initially sent to the relatives' addresses in the U.S., whence they are forwarded to the alien in Armenia. Often these cases involve questions by travel document holders on how to extend reentry permits or applications for U.S. passports for children born to Armenian asylees/refugees in the U.S. who have spent considerable amounts of time in Armenia since receiving such status. We refer all such cases to the DHS/USCIS office at Embassy Moscow. A typical case was that of a young woman who entered the U.S. as an asylee following-to-join single daughter of her father, the principal applicant. Even though she would have signed an affidavit acknowledging that she would forfeit this immigration benefit if she married before entering the U.S., she did exactly that, i.e. marry after receiving her transportation letter, but before entering the U.S. Moreover, once in the U.S., she promptly filed an I-130 petition for her spouse which USCIS apparently approved, failing to notice she didn't actually qualify for derivative asylee status.

ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIME,
TERRORIST TRAVEL

¶24. (SBU) Due to its high unemployment and significant poverty, Armenia is a source for illegal travel. In recent years, Yerevan's fraud unit has uncovered two large alien smuggling efforts using approved P-3 petitions. The fraud unit's investigations resulted in permanent Class I ineligibilities entered against each group's local organizer. At post, any group petition is suspected of having one or two "ringers" and consular officers must vigilantly check the qualifications of all group applicants. Organized crime is present in Armenia and particularly active in monopoly sectors such as fuel and energy. Armenian organized crime has strong linkages to U.S.-based and Russia/CIS-based organized crime groups.

DS CRIMINAL FRAUD INVESTIGATIONS

¶25. (U) The Consular Section maintains good working relations with the RSO. Post has requested an ARSO/I position to strengthen post's anti-fraud program, leverage consular anti-fraud tools to combat organized crime links to the U.S., and ensure that both criminal figures and fraudulent claimants are denied improper access to the United States. The Consular Section regularly informs the RSO of cases referred to the Police's 6th Department for Organized Crime Combat for further investigation and prosecution. The consular section referred one case of alien smuggling of two children who were impostors posing as U.S. citizens. The children were traveling with a notorious visa fixer who himself received asylum in the U.S. after fraudulently using the refugee travel document of another person. (Note: Post is also in possession, but hasn't yet processed, the Visas 92 cases of the alien smuggler's spouse and children. End Note) In this case the alien smuggler bribed Russian border guards to let him and the children clear passport control. The case is being actively investigated by ICE as confirmed during a recent visit by ICE agents from ConGen Frankfurt. (Note: By bilateral agreement since the fall of the Soviet Union, Russian Border Guards continue to oversee border security for Armenia's Turkish and Iranian borders, and share responsibilities with Armenian Border Guards for international airport immigration controls. End Note)

HOST COUNTRY PASSPORT, IDENTITY DOCUMENTS,
AND CIVIL REGISTRY

¶26. (SBU) Post frequently encounters fraudulent or illegally obtained original documents, ranging from municipally-issued civil documents to passports. Yerevan's fraud unit has identified fraudulent documents manufactured in both Armenia and the United States according to applicant's own statements. Local forgers are put in contact with potential clients via word-of-mouth and "connections" (often in Moscow), while fraudulently obtained original documents are available for small bribes from local municipal authorities. Original Armenian passports with altered information reportedly can be had for several thousand U.S. dollars at one of Armenia's over 80 passport issuing offices. Used passports for photo-substitution reportedly cost a similar amount. The fact that there is no centralized database which civil registries can use facilitates document fraud.

¶27. (U) Armenian authorities have issued machine-readable passports since 1995. In 2000, Armenia began issuing a new machine readable

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passport with improved photo security measures. The 1995 passports, which are vulnerable to photo substitutions, remain valid and with extensions may be in circulation through 2015. In remarks made January 18 to the press, Armenia's President noted that his government had budgeted USD 550,000 in FY2008 to develop a bio-chip passport system, though he gave no target date for the system's introduction. In fact, post has facilitated the Ministry of Foreign Affairs' cooperation with ICAO and the Bureau of Consular Affairs (CA/PPT) in starting a biometric passport program. Post's Export Control and related Border Security (EXBS) program also funded

purchase of a new passport printer for the Armenian MFA in the reporting period. Post's INL office has also invested significant sums into Armenian Border Guards' port of entry Border Management Information Systems (BMIS) infrastructure, completing several significant installations during this reporting period. BMIS assists in combating irregular migration, human trafficking, and unlawful trade in drugs and weapons, while facilitating border-crossing data exchange between law enforcement bodies. The system contains a database of both genuine and fraudulent identification, travel, and security documents issued by different countries.

COOPERATION WITH HOST GOVERNMENT AUTHORITIES

¶28. (SBU) We normally forward cases involving fraudulent government documents to the Armenian National Police's 6th Department, the division tasked with fighting organized crime, and have found them quite receptive to conducting active investigations. Our most recent case in June 2008 involved a Visas 92 beneficiary who presented a false marriage certificate. We know that cases are being prosecuted from the fact that one perpetrator (an IR-5 IV applicant) returned to request her case be processed to conclusion after paying a fine and being lightly sentenced. As the fraud committed wasn't material to the case and she appears to benefit from the sentencing clause, the woman is not likely to have a visa ineligibility. Most recently, and to post's pleasant surprise, the National Security Service (former KGB), has proven to be very cooperative with post on visa fraud and alien smuggling cases (see paragraph 25). In the recent past, the NSS had been very good at taking, but not good about giving information.

¶29. (SBU) Under Armenian law, forgery is punishable by a fine, one year's "correctional labor" or up to two years in prison. Using false documents with the intent to cross a state border is subject to up to three years in prison. Though we had referred several cases of false documents to the National Security Service (NSS) in the past, no one has been charged as a result of those cases. It is our belief that some known forgers and document dealers have protection within the Armenian government.

AREAS OF PARTICULAR CONCERN

¶30. (SBU) As requested in the current Mission Strategic Plan and previous budgeting processes, Yerevan's Consular Section continues to see a need and benefit in having an ARSO/I position within the section. Given high fraud and the added complexities of a far-flung Armenian diaspora community, as well as linkages to organized crime groups operating both in Armenia and the United States, an ARSO/I position would contribute significantly to the Department's "Secure Borders, Open Doors" mandate. Through extensive fieldwork and security service liaison, an ARSO/I would be expected to better develop our contacts at ports of entry and government and police agencies, as well in the private sector, including airlines, orphanages and visa facilitators. An ARSO/I would also be ideally placed to intensify our cooperation with U.S. law enforcement agencies working to combat international crime activity tied to Armenia.

¶31. (SBU) Post receives an unusually high number of requests from ICE attorneys for document verification or translations of visa applications for persons applying for immigration benefits in the U.S. This is a labor-intensive task which occupies a significant part of our fraud investigator's time. Until recently, document verification requests were usually channeled through the USCIS Attache's office at Embassy Moscow. Post now receives the majority of such requests from DRL in the Department. Requests for visa applications usually come directly from Assistant Chief Counsels in Los Angeles and usually end up as a subsequent request for document verification related to an asylum application. At any one time, post has some 30 pending investigations with an average of two new investigations requests and five visa application requests received

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each week. The majority of these investigations confirm that the submitted documentation is fraudulent. Post has developed a

Microsoft Access database to track these cases and, more importantly, quantify the resources spent on these investigations. We believe this information would be invaluable to CA/EX to request partial DHS/ICE funding of our FSNI's position who spends some 40-50% of his time on DHS investigations.

132. (U) Post has developed a good working relationship with the ICE office in Los Angeles which has invited the Fraud Prevention Manager and Fraud Investigator to make a formal presentation on fraud trends and patterns to ICE Assistant Chief Counsels working on Armenian asylum cases in Los Angeles in October 2008. Post has so far been unable to fund this travel. DRL, through which ICE/USCIS channels most of our document verification requests per standard procedure, supports post's plans to meet up with ICE in Los Angeles. DRL has been invaluable in acting as a broker between post and ICE in Los Angeles in managing the latter's expectations and regulating our investigations workload to a manageable level.

STAFFING AND TRAINING

133. (U) Embassy Yerevan's FPU consists of Consular Section Chief Robin Busse who serves also as Fraud Prevention Manager (FPM) and a full-time FSN fraud analyst/investigator (Armen Alaverdian). The fraud analyst also serves as an interpreter during IV and NIV interviewing and screens applicants for likely imposters. The FPM attended the fraud prevention course at FSI in 2002 and has completed the online courses PC544 - Detecting Fraudulent Documents and PC128 - Detecting Imposters. The fraud analyst attended FSI's fraud course for FSNs in 2003, the 2006 Fraud Conference in Istanbul, and completed the online courses PC 544 and PC 128 as well (as have all consular staff). Two of post's three adjudicating officers also have taken the fraud prevention course at FSI. We are cross-training another FSN to assist as a part-time investigator, and our Senior NIV Assistant has also attended the FSN Fraud Prevention Workshop in the last five years. In addition, as noted above as an area of particular concern, both the RSO and consular section have formally requested an ARSO/I position to assist in combating fraud (FY09 MSP).

PENNINGTON